

AIR POUCH

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Acting Chief of Station, Guatemala

LINCOLN

INFO: FBSUCCESS, Headquarters
[(for Hegarty)

KUGOWN
SHERWOOD: Script
"Is our national currency in peril?"

We are forwarding herewith a copy of subject script which
is for your information and guidance only.

With this broadcast, SHERWOOD begins a campaign intended to
result in financial difficulties. This campaign is not to be carried
by any other outlet.

JEROME C. DUNBAR

Elmer F. Lukety/ sgw

6 June 1954

Distribution:

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P-10

IS OUR NATIONAL CURRENCY IN PERIL?

Members of our local and district Liberation Committees in a number of cities and rural areas report that they have been asked many questions concerning our currency and national finances by friends and sympathizers: Is our money safe? Will the government be able to continue making payments to its employees, officers and soldiers as well as to other creditors? Is it likely that our currency will be devaluated? And many similar, anxious questions. Since our friends in those various local and district committees were not sure how to answer these inquiries, they reported them to us and the Economic Affairs Section of our National Liberation Committee has furnished us with the following preliminary reply:

"Since many fellow-citizens show, in their oral and written questions, great anxiety about the currency and related financial problems, we feel it necessary to issue an immediate, preliminary statement to acknowledge receipt of these inquiries and to assure all concerned that we are actively concerned with the problem of our country's currency and financial situation in general.

"At this moment, we have not yet conclusive evidence that the Arbenz-Fortuny regime is headed for outright bankruptcy or for a devaluation of our currency, that is, for a radical cut in the value of the Quetzal. Nevertheless, it would be dangerous complacency and short-sightedness if we would tell you not to worry and if we would assure you that the money which you hold in hand or which you receive as your hard-earned wages every week or every month is certain to retain its present value.

"On the contrary, you have every reason to view the financial policies of the Arbenz-Fortuny regime with the greatest distrust and to fear the worst from their plans for the near future, if these leading representatives of the international communist conspiracy in our country are permitted to continue in office. You know, of course,

that government expenses have increased rapidly in the last few years, including a heavy volume of communist-ordered propaganda, many travels to Moscow, Peiping and other pilgrimages behind the Iron Curtain, supporting of strikes in Honduras and other countries, maintaining the Caribbean Legion, subsidizing the Communist Party, the communist-controlled labor unions and other organizations. As a first result, the treasury is getting shorter and shorter of cash, not even the workers on the Atlantic Highway get paid in time, unpaid bills stack up on the desk of the Finance Minister and frantic efforts to obtain new foreign loans are being made in spite of all big talk about getting independent from foreign capitalists.

"Even more ominous are the facts which we have been able to observe in other countries which have fallen under communist rule. Whether you look at Russia herself or at Czechoslovakia or any other communist-ruled country, there has been a radical devaluation of the currency during the last few years, without any advance warning - indeed, in the face of violent denials by the communist rulers to the very last day before it took place. The communists pursue a triple goal with such cuts in currency value: first, they want to stop people from buying consumers goods, food or clothing or automobiles because they want to use all money to build up more industry, more machinery and more armament; second, they want to confiscate all "surplus" of funds in private hands and to reduce thus the 'economic and political reasons; third, they want to fill the coffers of the government to have ample funds for all the big tasks which a totalitarian regime sets out to fulfill.

"Now, as we stated initially, we do not yet have conclusive proof that Arbenz, Fortuny & Co. are already preparing to imitate the example set by their comrades in other lands. However, we are working hard to find out and we shall inform you of the results of our investigation as quickly as possible. In the meantime, those of you who are justifiable worried about such possible confiscatory measures by the

Arbenz-Fortuny regime, are advised to take the following precautionary steps:

1. Withdraw from banks and saving institutions all money which you do not need immediately there, because such accounts can be most easily seized by the government;
2. If you have any spare cash on hand, use it without delay to buy things which you can use later, whether clothing, or furniture, or kitchen utensils or canned food or whatever else you may have planned to buy at some later date -- don't keep too much cash in hand;
3. If you have more cash or valuables than you can reasonably convert into merchandise right now, transfer your cash or valuable to safe keeping abroad -- in order to frustrate communist designs against your property (We know that Arbenz himself and certain members of his Cabinet have done this already: so don't worry about being called "unpatriotic"). If our country is safe once more from the communist peril, you will return these assets to our own country again.

"These, we repeat, are precautionary measures which we advise you to take, in order to protect yourself against arbitrary acts which the Arbenz-Fortuny regime is likely to take. Listen regularly to our broadcasts and we shall keep you advised about any new information which we shall obtain."

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You have been listening to a statement from the Economic Affairs Section of our National Liberation Committee. Listen regularly for further statements and other important news.

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